

Message Text

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53

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 RSC-01 /019 W

----- 124879

R 201151Z DEC 74

FM AMEMBASSY ISLAMABAD

TO USDOC WASHDC

INFO SECSTATE WASHDC 8102

AMEMBASSY NEW DELHI

AMCONSUL CALCUTTA

AMCONSUL BOMBAY

AMCONSUL KARACHI

AMCONSUL LAHORE

UNCLAS ISLAMABAD 11869

FOR BIC/OIM/SAD FROM ADERHOLD

E.1652: N/A

TAGS: BEXP, ETRA, PK

SUBJ: MINING/EARTHMOVING/CONSTRUCTION TRADE MISSION

1. THE TRADE MISSION PRESENCE IN PAKISTAN WAS PROPITIOUS AND A COMPLETE SUCCESS. PROGRAM PLANNING BY THE ADVANCE MAN AND UNQUALIFIED SUPPORT BY FS POSTS IN KARACHI, LAHORE AND ISLAMABAD RESULTED IN THOROUGH EXPOSURE FOR THE MISSION MEMBERS TO THE MARKET POTENTIAL IN PAKISTAN WHICH FAR EXCEEDED EXPECTATIONS. GOP MINISTRIES, QUASI-GOVERNMENT ENTITIES AND PRIVATE SECTOR BUSINESSMEN WERE THOROUGHLY BRIEFED ON THE MISSION'S OBJECTIVES. CONSEQUENTLY, DISCUSSIONS WERE CANDID AND MUTUALLY PRODUCTIVE. THE GOP PROVIDED MISSION MEMBERS WITH COMPREHENSIVE LISTS OF EQUIPMENT WHICH WILL BE REQUIRED TO IMPLEMENT TOP PRIORITY INFRASTRUCTURE PROJECTS. THE MISSION MEMBERS WERE ABLE TO MAKE THOROUGH ASSESSMENT OF THE MARKET ALONG WITH ITS PROBLEMS AND POTENTIAL.

2. ALL MISSION MEMBERS SUBSTANTIALLY ACHIEVED THEIR OBJECTIVES WHICH WERE EXPOSURE TO NEW BUSINESS PROSPECTS, LOCATING REPRESENTATIVES, ESTABLISHING WORTHWHILE CONTACTS

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IN THE GOP AND ASSESSING THE MARKET POTENTIAL IN ORDER TO

DETERMINE THEIR MARKETING STRATEGIES. CONFIRMING PRIOR MARKET RESEARCH AND COMMERCIAL REPORTING, THERE IS A MAJOR AND IMMEDIATE MARKET FOR CONSTRUCTION AND EARTHMOVING EQUIPMENT TO CARRY OUT AMBITIOUS GOP INFRASTRUCTURE PROJECTS SUCH AS ROAD CONSTRUCTION, IRRIGATION, LAND LEVELING AND FLOOD CONTROL. EQUIPMENT AND SERVICES OFFERED BY MISSION MEMBERS ENTIRELY COMPATIBLE FOR THESE PROJECTS. PARTICIPANTS PROJECTED SALES FOR NEXT TWELVE MONTHS AS BEING DOLS 19.7 MILLION.

3. US EQUIPMENT ENJOYS AN EXCELLENT REPUTATION IN PAKISTAN AND SPOT SALES WOULD HAVE BEEN SUBSTANTIAL IF FREE FOREIGN EXCHANGE WAS READILY AVAILABLE. GOP OFFICIALS REITERATED ON NUMEROUS OCCASIONS THAT TWO FACTORS ARE OVER- RIDING IN LARGE SCALE PROCUREMENT DECISIONS, I.E., CREDIT FACILITIES AND AFTER SALES SERVICING WITH EMPHASIS ON SPARE PARTS AVAILABILITY. MISSION MEMBERS BELIEVE THAT FREE FOREIGN EXCHANGE WILL BE ALLOCATED FOR EQUIPMENT REQUIRED TO IMPLEMENT TOP PRIORITY ROAD BUILDING PROJECTS AND ORDERS ARE EXPECTED ACCORDINGLY. SALES OF MINING EQUIPMENT PREMATURE ALTHOUGH LONG RANGE PROSPECTS (TWO TO THREE YEARS) EXCELLENT. NEAR TO MEDIUM TERM PROSPECTS (ONE TO TWO YEARS) ARE EXCELLENT FOR CEMENT PLANT EQUIPMENT, ROCK CRUSHING AND ASPHALT/CEMENT BATCHING EQUIPMENT.

4. MISSION MEMBERS IMPRESSED WITH PERFORMANCE OF FS PERSONNEL AT ALL LEVELS IN PAKISTAN: "I HAVE BEEN ON SEVERAL MISSIONS AND THE PERFORMANCE BY THE STAFF IN PAKISTAN IS THE BEST I'VE SEEN. "USIS SUPPORT AND PRESS COVERAGE EXCELLENT THROUGHOUT PAKISTAN WITH PARTICULAR CREDIT GOING TO THE STAFF IN KARACHI FOR SETTING UP AN INGENIOUS GRAPHIC DISPLAY OF US CONSTRUCTION AND MINING EQUIPMENT. SOCIAL FUNCTIONS AND RECEPTIONS WERE UNUSUALLY WELL ATTENDED BY TOP LEVEL PAKISTANI GOVERNMENT OFFICIALS AND BUSINESSMEN.

5. FOLLOWING IS A SYNOPSIS OF RESULTS IN PAKISTAN:

ACTUAL SALES: -0-
12-MONTH SALES PROJECTION: DOLS 19.7 MILLION
LONG RANGE SALES POTENTIAL: 8.0 MILLION
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TRADE LEADS: 18
POTENTIAL JOINT VENTURES: 5

6. ONLY DISAPPOINTMENT RELATED TO MISSION WAS SUDDEN DROP-OUT OF THREE FIRMS PRIOR TO DEPARTURE FOR LAHORE (NL INDUSTRIES, SVERDRUP AND PARCEL, JOHNSON AND ANDERSON) AND TWO FIRMS WHICH DROPPED OUT IN LAHORE (HARNISCHFEGER, TERREX), AGENTS OF LATTER TWO FIRMS ACCOMPANIED MISSION

TO RAWALPINDI. IN ALL INSTANCES THE REASONS FOR DROPPING
OUT INVOLVED URGENT AND HIGHER PRIORITY BUSINESS MATTERS
IN OTHER PARTS OF THE WORLD OR POOR FLIGHT SCHEDULES OUT
OF RAWALPINDI. IN NO WAY WERE THESE DROP-OUTS RELATED
TO DISSATISFACTION WITH TRADE MISSION PROGRAM.
BYROADE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ISLAMA11869
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740371-0021
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741220/aaaaaqko.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 26 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 SEP 2002 by ReddocGW>; APPROVED <06 JAN 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MINING/EARTHMOVING/CONSTRUCTION TRADE MISSION
TAGS: BEXP, US, PK
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005